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BEFORE THE ARIZONA CORPORATION COMMISSION

WILLIAM A. MUNDELL
Chairman

JIM IRVIN
Commissioner

MARC SPITZER
Commissioner

Arizona Corporation Commission

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IN THE MATTER OF THE APPLICATION OF ICR
WATER USERS ASSOCIATION, INC. FOR AN
EXTENSION OF ITS EXISTING CERTIFICATE OF
CONVENIENCE AND NECESSITY

)
)
) Docket No. W-02824A-01-900
)
) MEMORANDUM RE WELL
) OWNERSHIP

ICR was granted its CC&N on August 30, 1995. The source of ICR's water was a well located on land owned by Pierce Properties, Ltd., an entity unrelated to ICR (the Pierce land). A Water Purchase Agreement dated August 1, 1995 provides for a water supply not to exceed 100,000,000 gallons per year to be produced from a well located on the Pierce land. Although ownership of the well remained with Pierce Properties, Ltd., section 15 of the agreement provides:

This Agreement shall be binding upon the parties hereto and their successors and assigns, including any future owners of Owner's land. However, this Agreement shall not confer any rights or remedies upon any person other than the parties hereto and their respective successors and assigns.

1 On July 24, 2001, Amendment Number One to said Agreement was executed by the
2 parties to it, agreeing that the area covered by the instant Application could receive water
3 under the Agreement and, in addition, increasing the amount of wholesale water supply
4 provided for in the Agreement by an additional 64,518,498 gallons per year.

5 In a separate proceeding involving ICR, concerns have been expressed that ICR does
6 not own or have its own water production facilities. Of course this has been the situation since
7 the original CC&N was granted in 1995.

8 Pierce Properties, Ltd. has indicated to ICR that under no circumstances will it transfer
9 ownership of the well or land it is on to ICR. The Water Purchase Agreement as amended,
10 however, provides that the current and future owners of the land are bound by it, and ICR has
11 taken action to record those instruments with the Yavapai County Recorder.

12 ICR is also the grantee of a Water Line Easement dated August 28, 1995 giving it an
13 easement across the Pierce land for the purpose of maintaining the water line to the well and
14 all appurtenances. The easement is for a duration equal to that of the Water Purchase
15 Agreement.

16 While not the ownership, this arrangement provides substantial assurance that ICR will
17 have access to and use of the well, the well equipment and the land it is located on for the
18 duration of the Water Purchase Agreement.
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DATED this 6th day of February, 2002.

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By: 

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ORIGINAL and ten (10)
copies of the foregoing filed
this 6th day of Feb.,
2002, with:

Arizona Corporation Commission
Docket Control-Utilities Division
1200 W. Washington Street
Phoenix, AZ 85007

COPY of the foregoing
delivered this 6th day of
Feb., 2002, to:

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